

FREQUENTLY ASKED QUESTIONS (FAQ'S)
ON PBI NO.11/ 30/PBI/2009 DATED JULY 7, 2009 CONCERNING
INTRADAY LIQUIDITY FACILITY (FLIS) BASED ON SHARIA
PRINCIPLES

Q. What is the background of the issuance of the provisions on FLIS?

- A. The provisions on FLIS are issued as an effort to ensure uninterrupted payment system by preventing any gridlock in Bank Indonesia – Real Time Gross Settlement System and the final settlement of debit clearing in the National Clearing System of Bank Indonesia (SKNBI).

Q. What is FLIS?

- A. FLIS is a funding facility provided by Bank Indonesia to Sharia Commercial Bank (*Bank Umum Syariah*/BUS)/Sharia Business Unit (*Unit Usaha Syariah*/UUS) in its capacity as the member of the BI-RTGS System and SKNBI through the agreement on securities repurchase (*repo*) which must be settled on the same day with the day of use.

Q. When does BUS/UUS may use FLIS?

- A. BUS/UUS may use FLIS if BUS/UUS has obtained an approval for using FLIS and if it:
- a. has securities which may be subject to repurchase by Bank Indonesia in the form of SBIS, SBSN and/or other sharia securities stipulated by Bank Indonesia;
 - b. has an active status as the member of BI-SSSS; and
 - c. has an active status as the member of BI-RTGS and/or is not subject to the imposition of the sanction of suspension as the member of SKNBI.

Q. How does Bank obtain the approval for using FLIS?

A. First, BUS/UUS files a written approval to Bank Indonesia accompanied with:

- a. Agreement on the use of FLIS;
- b. a copy of the Bank's articles of association or the power of attorney granted by the head office of the Bank to its branch, the head office of which is domiciled abroad which has been declared to be issued as original copy by the Bank; and
- c. other supporting documents.

Q. How is the Mechanism of FLIS use?

A FLIS is used automatically, in the event that:

- a. the balance of BUS/UUS's rupiah giro account with Bank Indonesia is insufficient to make outgoing transaction for FLIS-RTGS; or
- b. the balance of BUS/UUS's rupiah giro account with Bank Indonesia is insufficient to perform the BUS/UUS's obligations with regard to the final statement of Debit Clearing, FLIS-Clearing.

Q. What is the maximum value of FLIS which may be used by BUS/UUS?

A. The maximum value of FLIS which may be used by BUS/UUS is equal to the total value of SBIS and/or SBSN subject to repurchase in the context of FLIS-RTGS or FLIS-Clearing.

Q. How is the mechanism of FLIS settlement?

A. FLIS is automatically settled by the BI-RTGS System any time an incoming transaction is made crediting the relevant Bank's rupiah giro account with Bank Indonesia until the deadline for FLIS settlement.

Q. What if FLIS has not been settled until the deadline for its settlement?

A. The value of FLIS which has not been settled is treated as a repurchase transaction with Bank Indonesia with 1 (one) day term.

Q. How is the mechanism of FLIS settlement in the event that a failure occurs in the BI-RTGS System and/or BI-SSSS which as a result, BUS/UUS is unable to settle FLIS?

A. FLIS is settled automatically in the event that an incoming transaction is made by the BI-RTGS System, immediately after the BI-RTGS System and/or BI-SSSS is back in operation.

Q. What about the Agreement on the Use of Collateralization of FLIS signed by BUS/UUS prior to the coming into effect of this PBI?

A. BUS/UUS must replace it with the Agreement on the Use of FLIS as set forth in the Circular Letter of Bank Indonesia.

DPM